

**RIO DELL CITY COUNCIL
REGULAR MEETING
FEBRUARY 16, 2010
MINUTES**

The Regular Meeting of the Rio Dell City Council was called to order at 6:30 P.M. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Dunker, Marks and Thompson

Absent: Councilmember Barsanti (excused)

Others Present: Interim City Manager Stretch, Acting Public Works Director Jensen, George Williamson, Contract Planner, Neal Carnam, Winzler & Kelly and City Clerk Dunham

Absent: Finance Director Beauchaine, and Chief of Police Hill

CEREMONIAL

Proclamation in Recognition of Engineer's Week February 14-20th, 2010

Mayor Woodall read the proclamation in recognition of Engineer's Week declaring the week of February 14th, 2010 as Engineer's Week in the City of Rio Dell.

CONSENT CALENDAR

Councilmember Marks requested two items be removed from the Consent Calendar for separate discussion under Special Call Items: agreement with Winzler & Kelly for services related to Scotia CSD/Annexation; and approval of the Final Pay Request to Wendt Construction Co. for work related to the Safe Routes to School Improvement Project.

Motion was made by Dunker/Thompson to approve the consent calendar including the approval of minutes of the February 2, 2010 Regular Meeting; approval of minutes of the February 9, 2010 Special Meeting; approval of the appointment of Stephanie Beauchaine as Brownfield's Trainer/Coordinator; and approval of the re-appointment of Dave Gonzales and Denise Sweaney to the Rio Dell Planning Commission for three year terms ending December 31, 2012. Motion carried 4-0.

ORDINANCES/SPECIAL RESOLUTIONS

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Approve Resolution No. 1070-2010 authorizing the County of Humboldt to apply on behalf of the City for North Coast Integrated Regional Management Plan (NCIWMP) Energy Efficiency and Conservation Block Grant (EECBG) Funding

Interim City Manager Stretch explained this resolution would replace Resolution 1063-2009 previously approved by the Council authorizing the County of Humboldt to apply for EECBG funding on behalf of the City as it was determined that there were some minor technicalities in that resolution that needed to be corrected before the application could proceed. He noted the application is for up to \$25,000 and would be used to replace the antiquated heating/cooling systems in City Hall.

Motion was made by Thompson/Marks to approve Resolution No. 1070-2010 *Authorizing the County of Humboldt to Apply on Behalf of the City of Rio Dell for North Coast Integrated Regional Water Management Plan (NCIRWMP) Energy Efficiency and Conservation Block Grant (EECBG) Funding*. Motion carried 4-0.

SPECIAL CALL ITEMS

Approve Agreement with Winzler & Kelly for Services Related to Scotia CSD/Annexation

Councilmember Dunker suggested this action be postponed until representatives of The Town of Scotia are present and said he also thought it would be best to have discussions with them during a pre-meeting before any action is taken.

Councilmember Marks stated she understood the reason we were doing this is because the CSD application was going before LAFCo and by the City taking some movement, we would be able to participate in discussions with LAFCo regarding the formation of a Community Services District in Scotia; City Manager Stretch explained the City did not take an active role in the County Planning Commission and Board of Supervisors hearings on the general plan and zoning amendments, or the tentative map approval because the service delivery issue was not within their purview.

He said the City can take the initiative when it is believed that the integration of the communities would be more cost effective. The proposed agreement with Winzler & Kelly in the amount of \$5,000 (or less) is for services for the City, related to the proposed formation of a CSD for the Town of Scotia, and/or for services for the annexation of the Town of Scotia to the City of Rio Dell.

Motion was made by Thompson/Marks to approve the agreement with Winzler & Kelly for services related to Scotia CSD/Annexation. Motion carried 4-0.

Approve Final Progress Payment Request to Wendt Construction Co. in the amount of \$38,270.45 for work related to the Safe Routes to School Improvement Project

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Councilmember Marks said her only question was whether the project stayed within Budget; Acting Public Works Director Jensen stated that it did.

Motion was made by Thompson/Marks to approve the Final Progress Payment Request to Wendt Construction Co, in the amount of \$38,270.45 for work related to the Safe Routes to School Improvement Project. Motion carried 4-0.

Receive Presentation from Planwest Partners and Winzler & Kelly and Direct City staff to initiate the annexation process and return to Council with a schedule and costs for the annexation effort

City Manager Stretch stated at the request of Councilmember Thompson, this item was placed on the agenda. He further stated that a letter dated February 9, 2010 was sent to Frank Bacik with the Town of Scotia to express the City's interest in annexing Scotia to the City of Rio Dell and inviting him to attend the Council meeting. He said that although the letter was delivered on February 11th, Mr. Bacik indicated in his response letter received today that he did not receive the letter until today and because of the short notice, was not able to attend.

City Manager Stretch commented that he felt it would be more expeditious for the Town of Scotia to go through annexation rather than a CSD.

The City Clerk was asked to accept the response letter from the Town of Scotia into public record.

George Williamson, Contract Planner made a couple of observations: 1) in 2006, the City made a considerable effort to study this proposed annexation, conducting engineering studies, considering the necessary general plan and zoning amendments, initiating the Municipal Services Review and Sphere of Influence Update necessary for LAFCo review, and having an independent Fiscal Study prepared and at the last minute, the former owners (Palco) withdrew the annexation application due to infrastructure cost issues; and 2) for the past three years, the County has been working through the proposed Tentative Map for subdivision of the parcels in Scotia as well as working on General Plan amendments and appropriate Zoning designations. He said the County conditioned the map to say that they must have a service provider and either way the land is going to be subdivided, with new land use and zoning designations.

He further stated that the City is on record at the appropriate time in regard to commenting on the EIR.

Councilmember Dunker commented that the community of Scotia has not had the opportunity to support either the formation of a CSD or annexation and in talking to community members, it seems that a lot of residents are in favor of annexation; Neal Carnam, Winzler & Kelly explained the property owner has to either accept or not accept the CSD and basically there are only two property owner in Scotia, that being the Town of Scotia, LLC and Humboldt Redwood.

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Neal Carnam stated that both Winzler & Kelly and City staff did a lot of work analyzing infrastructure improvements and in the end the total costs were broken down to around \$30 million and Palco at that time was only willing to put approximately \$10 million on the table which he said probably would not change. Another aspect is that CSD's struggle to make it financially in today's world with the extensive cost of providing services and while a new CSD could be formed, it would probably not be in the best interest of the County or the residents of Scotia economically speaking. He said there would be significant financial impacts to proceed with annexation after the CSD is formed.

Mr. Carnam said the intent of the City's response now is to stand up and say that the City of Rio Dell thinks it would be in the best interest of the City and the residents of Scotia to proceed with annexation of the two communities.

Councilmember Dunker stated he agreed completely and reflected back to 2006 when Palco was going through bankruptcy proceedings stating that impacted the decisions made at that time. He said another point is that forming a CSD is a new experience for the Town of Scotia and they may not know all the challenges that face them.

Neal Carnam commented that he thought the issue is to convince LAFCo that annexation is the best solution; not to convince the Town of Scotia.

Councilmember Dunker pointed out that we need to consider the other relationships the City has with Scotia such as the Chamber of Commerce and come together and communicate in a positive manner to ensure those relationships are not jeopardized.

George Williamson stated that the letter sent to the Town of Scotia was very positive and what the Council needs to determine now is whether or not they want to provide direction to staff to initiate the annexation process and make a presentation to LAFCo.

Sharon Wolfe, 3 Painter St., stated when the annexation was being considered previously, infrastructure costs were a big issue and asked what has changed from then to now: Neal Carnam stated that Scotia's opinion about that annexation had not changed and that the City would be making its case to LAFCo. Sharon also asked where the \$30 million in infrastructure improvements would come from; Neal Carnam stated the City would be in the seat to develop a plan on how to accomplish that and with a larger rate base it would be easier to spread the costs and essentially subdivision fees would help to pay those costs.

Sharon Wolfe said she was exceedingly nervous about those cost being placed as a burden on the rate payers and said for the most part, there would only be one rate payer in Scotia since there were no homeowners yet; it was noted that the rate formula would be based on the number of connections rather than the number of property owners.

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Councilmember Dunker stated that Mr. Bacik made some good points in his response letter to the City but made it sound like the Water Quality Control Board was going to give them their blessing on their current wastewater treatment facility which he said is probably not the case.

Neal Carnam pointed out that Scotia's treatment facility is located within the flood plain and would more than likely need to be relocated.

City Manager Stretch commented that the City's Infiltration Gallery is down stream from Scotia's wastewater treatment facility which is a concern. He noted that the City has made great advances with the entire wastewater system since annexation discussions first began and have been awarded a \$2.4 million grant for infrastructure improvements at the wastewater treatment facility including upgrade of the headworks. He said the City is ready, willing and able to provide the necessary municipal services to Scotia and feels that annexation is the most practical, efficient, and effective way of providing those services.

George Williamson further pointed out that the City updated it's Zoning Ordinance and General Plan to include industrial/commercial land use designations and in a land use way, Scotia would complete Rio Dell as far as potential employment areas.

Councilmember Thompson said in 2006 he took the time and walked Scotia with the proposed subdivision map and identified numerous problems and asked if the same tentative map was being proposed; Neal said he believed it was changed slightly to be in compliance with the Subdivision Map Act.

Thompson commented that water, sewer and power lines would need to be relocated to the public right-of-way as the parcels are sold. Neal explained those type of issues are addressed with the final subdivision map.

Al Petrovich, 1231 Eeloa Ave. said he was not up to speed with the annexation process but had heard that if annexed, we would be gaining the industrial mill site; Neal said the annexation would include the area from the bridge to the Tree Farm and involved two property owners; the Town of Scotia and Humboldt Redwood.

Neal Carnam then reviewed the history of annexation proceedings and the LAFCo application process.

Motion was made by Dunker/Marks to direct staff to initiate the annexation process and return to Council with a schedule and costs for the annexation effort. Motion carried 4-0.

Approve Scope of Work from Planwest Partners, Inc. for Public Safety Element Update

City Manager Stretch stated that upon review of the May 19, 2009 minutes of the City Council, he learned that the subject of General Plan Element updates was discussed with the focus of the

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discussion being the Circulation and Public Safety Elements. At that time, Council determined that the Public Safety Element was the priority and directed that it be updated upon appropriation of funds. During the 2009-2010 budget discussions, the funding was not allocated for this purpose. His recommendation was that funds be transferred from the General Fund Reserves to cover the cost, followed by update of the Circulation Element during the next budget year. He noted that Planwest Partners, the City's contract planner had prepared a Scope of Work to update the Public Safety Element in the amount of \$12,680 and estimated it would take 18 weeks to complete the update.

Mayor Woodall pointed out that two of the City's top priorities are redevelopment and economic development and in talking with the City Manager he indicated that the Circulation Element is more important in that respect.

Councilmember Marks stated that the Planning budget was overspent by \$42,000 last year and asked what the return or benefit would be for updating those elements; George Williamson explained the advantage of updating the Safety Element is that the City would be more informed of potential public safety hazards, including known faults, steep slopes, areas subject to erosion, flood zones, high fire hazard areas, locations of known hazardous materials, and use of hazardous substances. It would also include the update of the Hazards Map prepared for the 2009 Annexations and General Plan Amendments, from the City GIS database. He said with the current Safety Element we would be hard pressed to stop development of certain potentially hazardous areas. When development occurs, we would be able to do a much better job in protection against erosion. Also, in regard to emergency services, we could be in a much better position with the Office of Emergency Services (OES).

Councilmember Dunker stated that he had extensive training in safety and risk management and with the number one priority being health and safety; the Public Safety Element should be top priority due to potential liability.

Dunker asked if there were laws pertaining to timely update of elements of the General Plan; George said there are State Standards but the State cannot mandate the update with the exception of the Housing Element.

City Manager Stretch said in the May 19th minutes, the Planner indicated that in his opinion, it would be more efficient to do the Circulation Element first, followed by the Public Safety Element however, a majority of council members thought the Public Safety Element should be done first. At that meeting the Council merely established a priority list and did not authorize the work to proceed.

City Manager Stretch explained the Circulation Element would define a circulation system including pedestrian roadways, bike lanes and transit plans and put the City in a better position to

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secure transportation grants. He said in his opinion the City would get the most benefit with update of the Circulation Element.

Councilmember Marks asked if the *Standard Improvements and Specifications* would part of the Circulation Element; George Williamson said that is a separate document and explained during the update of the Circulation Element we would look at how our current circulation system is working, point out deficiencies and add new streets into the system such as the annexed areas of Blue Slide Road and Northwestern Ave. He said it also would help with advance planning.

Councilmember Thompson pointed out that there was a Public Safety Element Update prepared by the City in 2001 including rather extensive research but because no CEQA document was prepared, the update was not valid. George Williamson said this update will not minimize the work that was done prior and stated that relevant items will be folded in to the update as well as information obtained in 2006. He noted the cost estimate was based on those factors.

Councilmember Marks stated that after hearing again the key points of each element, it seem to be to the City's advantage to proceed with update of the Circulation Element first.

City Manager Stretch said he had also received a Scope for update of the Circulation Element and offered to provide Council with a copy at this time or at the next meeting.

The consensus of the Council was that the Circulation Element be updated first, using General Fund Reserves; followed by the Public Safety Element with the next budget year. City Manager Stretch was directed to bring the Scope of Services for update of the Circulation Element back at the next meeting for approval.

Approve comments on the Notice of Preparation on the Bear River Ridge Wind Power Project and authorize the City Manager to send a letter to the County of Humboldt, Community Development Services Department

City Manager Stretch stated the Humboldt County Community Development Services Department is soliciting comments as to the scope and content of the environmental information to be included in the Environmental Impact Report (EIR) and Environmental Impact Statement (EIS) for the proposed Bear River Ridge Wind Power Project. He noted the item was placed on the January 27, 2010 Planning Commission agenda for discussion and comment and those comments were incorporated into the response letter.

Discussion continued regarding the scope of the project and the environmental effects it may have on the City of constructing and operating the proposed transmission line from the wind turbines to the PG&E substation and of any new or improved power transmission lines from the substation. City Manager Stretch advised the Council to focus on the EIR and to consider potential effects such as traffic, construction and operational noise, visual impacts, and potential electromagnetic-related adverse effects.

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Councilmember Thompson stated he would like to see an alternate route considered due to the size and weight of the trucks transporting the wind turbine components and suggested the logging road above Webster St. as a possible alternate route. He said it would provide better flow of traffic and at the same time provide an alternate access to the Dinsmore Plateau. He said we also may be able to negotiate some infrastructure improvements to Bellevue Ave. such as drainage.

Councilmember Dunker stated he preferred Monument Road as the designated route and said improvements to Monument Road would be a great benefit to the residents and the City. It could potentially become a "scenic route" for the City which could generate revenue and allow for various activities such as car and bike rallies.

Councilmember Marks asked if there is the possibility for the transmission lines to be placed underground; City Manager Stretch stated he wasn't sure if that large of lines (34.5 kilovolt) could be placed underground.

Al Petrovich, 1231 Eeloa Ave. said he was wondering where the funding was coming from, referring to a similar wind project that created an increase in PG&E rates. He asked if the Council was supporting removal of revenue from residents.

Discussion continued regarding the controversy over global warming and greenhouse gas emissions under AB-32.

Al Petrovich commented that enforcement of AB-32 would put him out of business due to the cost of retro-fitting his equipment to comply with new emissions requirements.

Motion was made by Marks/Thompson to approve the letter, to include comments from the City Council, on the scope and content of the Environmental Impact Report and Statement for the Bear River Ridge Wind Power Project, to be sent to the County of Humboldt, Community Development Services Department as lead agency. Motion carried 4-0.

Consider Endorsement of State Parks and Wildlife Conservation Initiative for November 2010 Statewide Ballot

City Manager Stretch stated information was received from the "Yes for State Parks Initiative" committee to promote a park funding initiative measure for the November 2010 ballot. He noted that nearly 150 state parks have been either closed entirely, or shut down part-time as a result of state budget cuts. The proposed initiative would generate a new revenue source dedicated primarily to fund the State Parks system and proposes an \$18 increase in vehicle license fees for all non-commercial vehicles. He said the Council is requested to determine whether to endorse and support this initiative in ways other than financial. He said one thing the City could do is send a letter stating that with the decline in the timber industry and fishing industry, tourism is the one thing that our community has left and our parks play an important role in promoting tourism.

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Councilmember Dunker stated he was somewhat undecided about this issue because in order to balance the State Budget, drastic changes are necessary and we do depend on tourism as a main revenue source for our community. On the other hand, we will be voting for a new Governor in November and he or she may have other ideas about balancing the budget.

City Manager Stretch said he could get more information and bring the matter back to the Council for further discussion.

Al Petrovich, 1231 Eeloa Ave. stated he was in favor of keeping parks open however not by increasing fees or taxes and said the State is asking to free up dedicated revenue and down the line something else will come up and DMV fees will be increased again. He said the State is in peril due to chronic overspending; not under funding. He encouraged the City Council to quit accepting grants because ultimately the taxpayers are the ones paying for them.

City Manager Stretch stated he had personally drafted numerous pieces of initiatives over the years and there are ways to draft the language so that the funds go into a trust fund and cannot be used for other purposes down the road. The only way it can change is through the voters with another initiative.

Motion was made by Councilmember Thompson to direct staff to format a letter to endorse and support the statewide November 2010 ballot initiative entitled "State Parks and Wildlife Conservation Trust Fund Act of 2010", in ways other than financial, and direct staff to communicate that endorsement to the community, appropriate legislative representatives and the initiative campaign committee.

Councilmember Marks suggested the matter be researched further and brought back for further discussion; Council concurred and Councilmember Thompson withdrew his motion.

Authorize the City Manager to proceed with purchase of Meter Reading Equipment from National Meter & Automation, Inc. in the amount of \$13,580.00

Acting Public Works Director Jensen stated the City installed a new radio meter reading system in 2004 and at that time, it was the state of the art system. Since then, there have been many upgrades to the system including newly designed ERT's (electronic radio transmitters) because of battery failures with the original equipment. With the new equipment, comes an improved technology that requires improvements on the programming and reading devices as well. In addition, a meter programmer that was on loan to the City from National Meter and Automation was stolen from the City Corporation yard and never recovered.

His recommendation was that the City Manager be authorized to execute the purchase of the new system along with replacement of the meter programmer. He further recommended that the Council authorize a Capital Budget amendment in the amount of \$13,580 to appropriate Water Fund Reserves for the purchase since the item was not budgeted.

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Councilmember Thompson questioned insurance reimbursement; City Clerk Dunham noted that the loss was reimbursable through insurance less a \$2,500 deductible.

Motion was made by Thompson/Marks to authorize the City Manager to proceed with the purchase of the new Meter Reading Equipment from National Meter & Automation, Inc. for the amount of \$13,580.00 to replace the original failed system. In addition authorize a Capital Budget amendment in the amount of \$13,580.00 to appropriate Water Fund Reserves for the purchase of the equipment. Motion carried 4-0.

PUBLIC PRESENTATIONS

John Lane, 1249 Riverside Dr. said he wanted to congratulate the person who came up with the idea of changing the layout of the Council Chambers; City Manager Stretch said we were also getting quotes on new carpeting and microphones to improve the public address system.

REPORTS/STAFF COMMUNICATIONS

Interim City Manager Stretch reported on recent meeting and activities and announced he would be preparing a letter of intent for the 24 acre Mozzetti parcel needed for our wastewater irrigation site. He said it would basically lay out the principles and be non-binding but would lead to a formal agreement. He also announced the Budget document would be on the City website the following day.

Acting Public Works Director Jensen reported on recent activities in the public works department and said in addition to general maintenance they were in the process of replacing 12 street signs that had been pushed over; was getting caught up on year-end reports; said the gate on Edwards would be installed in approximately 2 weeks; and had installed a fire hydrant on Center and Rigby.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Thompson reported on the Redwood Coast Energy Authority (RCEA) meeting and announced that the State granted an extension to all of the cities and other agencies who had submitted grant applications under the Stimulus Program. He said the application for funding under the Energy Efficiency and Conservation Block Grant in which the City was requesting up to \$25,000 for a new heating/cooling system in City Hall. Was submitted and we were awaiting the State's response. He also reported RCEA's audit was coming along well.

Mayor Woodall commented that she visited the Wastewater Treatment Plant today and looked at the work done on the headworks and was very impressed.

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Interim city Manager Stretch reported on the completion of the CDBG portfolio review by RCAA stating that there are now only two applicants that are out of compliance with the terms of the program.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 9:05 P.M. to the February 23, 2010 Special Meeting.

Julie Woodall, Mayor

Attest:

Karen Dunham, City Clerk